

The Financial Times of Indiana

Balanced budget news from the Office of Governor Frank O'Bannon

Monday, December 10, 2001

www.IN.gov/gov

The News in brief.....

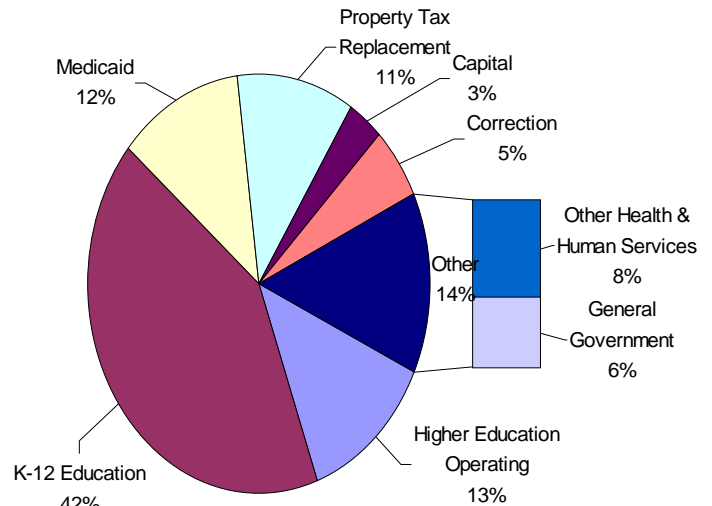
Governor O'Bannon has worked hard since he took office in 1997 to responsibly manage the state's finances and to invest well in Indiana. He has cut more than 700 full-time jobs from the state's payroll. During good economic times, he and the Legislature cut taxes by \$1 billion; upgraded roads; improved schools and universities; helped seniors pay for prescription drugs; and helped them live at home instead of in nursing homes.

As the national economy headed toward recession and caused state revenue to drop, the Governor cut back even more. And now he has a plan that will balance the budget without harming education. His Balanced Budget Plan cuts \$472 million from the state's \$10 billion budget, plus another \$250 million from the Medicaid program.

Without this plan, Indiana's deficit could grow to \$1.2 billion by the end of the two-year budget cycle on June 30, 2003. If the plan is not approved next year, there will be no time to correct the deficit before the end of the cycle – and the Governor may be forced to cut education, eliminate services and cut back on prescription drug and other programs.

Indiana Investments

2001-2003 budget cycle



Source: Indiana State Budget Agency

Upcoming Events

Field hearings of the Indiana House Ways and Means Committee:

Dec. 10
Fort Wayne
Dec. 11
South Bend
Dec. 19
Muncie

Did You Know?

Indiana state government spending ranked 45th in per capita state expenditures in 1999.

Source: 2000 Census Data and National Association of State Budget Officers

Indiana is not alone in facing a budget crisis

Indiana is one of 44 states whose revenues are coming in below projections. An example:

The Florida Legislature last week cut \$1 billion from the state's \$48 billion budget - \$430 million in education – as the state grapples with a slowing economy and the effects of the September 11 terror strikes.

As a result, state juvenile probation officers, who now handle 46 cases each on average, will watch their caseloads grow to 51. Some treatment centers will stay shuttered because of cuts in services. Lawmakers slashed the per-pupil funding they give local school districts by 2.5 percent or \$309 million, which averages out to \$125 less per student.

Go to this link to read the full story:

http://www.sptimes.com/News/120701/State/State_cuts_1_billion.shtml

What Hoosiers Get For Their Money

More than 14,000 elderly Hoosiers this year were able to more easily afford the prescription drugs they need thanks to the HoosierRx program.

In 2000 alone, over 43,000 students benefited from state grants and scholarships administered by the State Student Assistance Commission of Indiana (SSACI). Since 1997, SSACI has assisted over 167,000 students.

About 12,000 older Hoosiers were able to remain in their own homes through the Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program.

Be on the watch for: Discussions on Indiana's 21st Century Tax Restructuring Plan ...